

EXHIBIT M

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IN RE: NATIONAL PRESCRIPTION MDL No. 2804
OPIATE LITIGATION Case No. 17-md-2804

This document relates to: Judge Dan
Aaron Polster

The County of Cuyahoga v. Purdue
Pharma, L.P., et al.
Case No. 17-OP-45005
City of Cleveland, Ohio vs. Purdue
Pharma, L.P., et al.
Case No. 18-OP-45132
The County of Summit, Ohio,
et al. v. Purdue Pharma, L.P.,
et al.
Case No. 18-OP-45090

Videotaped Deposition of Joseph Rannazzisi
Washington, D.C.
April 26, 2019
8:37 a.m.

Reported by: Bonnie L. Russo
Job No. 3301876

<p style="text-align: right;">Page 14</p> <p>1 MR. DAVISON: William Davison from 2 Ropes & Gray for Mallinckrodt and Specgx LLC. 3 MR. O'CONNOR: Andrew O'Connor from 4 Ropes & Gray for Mallinckrodt. 5 MS. O'GORMAN: Debra O'Gorman from 6 Dechert for Purdue. 7 MS. CONROY: Mildred Conroy from The 8 Lanier Law Firm for plaintiffs. 9 MR. FULLER: Mike Fuller for the 10 plaintiffs. 11 MR. FARRELL: Paul Farrell, Jr., for 12 the plaintiffs. 13 MS. SINGER: Linda Singer, Motley 14 Rice, for the plaintiffs. 15 MR. FINKELSTEIN: David Finkelstein, 16 Department of Justice for the DEA. 17 MR. BENNETT: James Bennett from the 18 U.S. Attorney's Office for the Northern 19 District of Ohio for the United States, the DEA 20 and the witness in his official capacity. 21 MR. UTTER: Greg Utter here on 22 behalf of Mr. Rannazzisi as his personal 23 counsel. 24 SPECIAL MASTER COHEN: David Cohen, 25 Special Master.</p>	<p style="text-align: right;">Page 16</p> <p>1 MR. LADD: Matthew Ladd from Morgan 2 Lewis on behalf of Rite Aid. 3 MR. PADGETT: Bill Padgett on behalf 4 of H.D. Smith. 5 MR. BEISELL: Patrick Beisell from 6 Jones Day on behalf of Walmart. 7 MS. BARBER: Maureen Barber from 8 Morgan Lewis on behalf of the Teva defendants. 9 THE VIDEOGRAPHER: Will the court 10 reporter please swear in the witness. 11 12 JOSEPH RANNAZZISI, 13 being first duly sworn to tell the truth, the 14 whole truth and nothing but the truth, 15 testified as follows: 16 THE VIDEOGRAPHER: You may proceed, 17 Counsel. 18 EXAMINATION BY COUNSEL FOR McKESSON 19 BY MR. EPPICH: 20 Q. Good morning, Mr. Rannazzisi. My 21 name is Chris Eppich, I represent McKesson in 22 this litigation and I will be asking you some 23 questions this morning. 24 Please state your full name for the 25 record.</p>
<p style="text-align: right;">Page 15</p> <p>1 MR. FORREST: Patrick Forrest, Drug 2 Enforcement Administration. 3 MS. BACCHUS: Renee Bacchus, U.S. 4 Attorney's Office, Northern District of Ohio on 5 behalf of DOJ, DEA and the witness. 6 MS. AGUINIGA: Sara Aguiniga, Motley 7 Rice on behalf of plaintiffs. 8 MR. FELDMAN: Larry Feldman on 9 behalf of the plaintiffs. 10 MS. MOORE: Kelly Moore on behalf of 11 Rite Aid. 12 MR. STOFFELMAYR: Kaspar 13 Stoffelmayer, Walgreens. 14 MR. HOBART: Geoffrey Hobart from 15 Covington for McKesson. 16 MS. WICHT: Jennifer Wicht from 17 Williams & Connolly for Cardinal Health. 18 MR. MATTHEWS: James Matthews for 19 Anda. 20 MR. RUIZ: Anthony Ruiz, Zuckerman 21 Spaeder for CVS Indiana, LLC and CVS Rx 22 Services. 23 THE VIDEOGRAPHER: Anyone on the 24 call that wants to identify themselves, please 25 speak up.</p>	<p style="text-align: right;">Page 17</p> <p>1 A. Joseph Thomas Rannazzisi. 2 Q. Have you been deposed before, Mr. 3 Rannazzisi? 4 A. I have been through a lot of 5 different types of testimony. I just don't 6 recall if I have ever been deposed. 7 Q. That's fair. Let me -- let me just 8 review some of the ground rules for depositions 9 before we get in. 10 You have probably noticed the court 11 reporter is taking down everything that we say 12 and so to make her record clear and her life a 13 little easier, we will need to talk one at a 14 time. I will ask my questions and then just 15 ask that you wait before I finish before you 16 start with your answers. 17 Does that make sense? 18 A. Yes, sir. 19 Q. Rather than shaking your head or 20 nodding, if you could give a verbal response to 21 my questions. 22 A. Yes, sir. 23 Q. If I ask a question and I am not 24 clear, you don't understand, just let me know 25 and if you don't let me know, I will assume you</p>

<p style="text-align: right;">Page 18</p> <p>1 understand the scope of my question. 2 Does that make sense? 3 A. Yes, sir. 4 Q. Now is there anything that would 5 prevent you from testifying completely and 6 truthfully today? 7 A. No, sir. 8 MR. EPPICH: Let me mark as Exhibit 9 1. 10 (Deposition Exhibit 1 was marked for 11 identification.) 12 MR. EPPICH: Exhibit 1 is the second 13 amended notice of videotaped deposition of 14 Joseph Rannazzisi. 15 MS. SINGER: Excuse me one second, 16 Counsel. Do you have copies for the plaintiffs 17 too? 18 BY MR. EPPICH: 19 Q. Sir, have you seen Exhibit No. 1 20 before? 21 A. No, sir. 22 Q. You haven't seen it? 23 You didn't review it in preparation 24 for today's deposition? 25 A. No.</p>	<p style="text-align: right;">Page 20</p> <p>1 of Diversion Control? 2 MR. BENNETT: Objection. Calls for 3 speculation. 4 You can answer. 5 MS. SINGER: Excuse me one second. 6 Can we ask the people on the phone 7 to mute, please. 8 MR. UTTER: Go ahead. You can 9 answer. 10 THE WITNESS: Yes. Yes. There was 11 an opioid crisis during that time period. 12 BY MR. EPPICH: 13 Q. And was the opioid crisis getting 14 worse every year you were the head of the 15 Office of Diversion Control? 16 MR. BENNETT: Same objection. 17 THE WITNESS: Overdoses -- overdose 18 deaths increased, yes. 19 BY MR. EPPICH: 20 Q. As head of the Office of Diversion 21 Control, you were responsible for oversight and 22 control of all regulatory compliance, 23 inspections, and civil and criminal 24 investigations of approximately 1.6 million DEA 25 registrants; isn't that correct?</p>
<p style="text-align: right;">Page 19</p> <p>1 Q. If I you could turn with me to the 2 letter that is Exhibit A, four or five pages 3 in. Now, this letter is prepared by the U.S. 4 Department of Justice. 5 Have you seen this letter before? 6 A. Yes, I have. 7 Q. And you understand Exhibit A to be 8 a -- a letter from the DEA authorizing your 9 testimony on certain subjects today? 10 A. Yes. 11 Q. You were the head of DEA's Office of 12 Diversion Control from 2005 to 2015; is that 13 right? 14 A. Approximately July of 2005 to '15, 15 yes. 16 Q. July of 2005 to what month in 2015? 17 A. October. October 31st, 2015. 18 Q. Halloween. One of my favorite days. 19 A. Uh-huh. 20 Q. Now, between 2005 and 2015, you were 21 the senior-most law enforcement official at the 22 DEA responsible for pharmaceutical diversion? 23 A. Yes, sir. 24 Q. Was -- was there an opioid crisis 25 the entire time you were the head of the Office</p>	<p style="text-align: right;">Page 21</p> <p>1 A. Yes. 2 Q. And you provided leadership to a 3 team of 300 personnel? 4 A. Direct -- direct report, 5 approximately -- you know, in headquarters, 6 approximately 300, yes. 7 Q. And you controlled and operating 8 budget of approximately \$350 million, correct? 9 A. Yes. 10 Q. Now, Mr. Rannazzisi, every entity 11 that is involved with getting opioids to 12 patients has to be registered with the DEA, 13 correct? 14 A. Could you repeat that question. 15 Q. Every entity that is involved with 16 getting opioids to patients has to be 17 registered with the DEA. 18 A. No. That's not correct. 19 Q. Which entities do not have to be 20 registered? 21 A. Nurses, pharmacists. They have 22 no -- they're not registered. 23 Q. But manufacturers have to be 24 registered? 25 A. Yes.</p>

<p style="text-align: right;">Page 22</p> <p>1 Q. Distributors have to be registered?</p> <p>2 A. Yes.</p> <p>3 Q. Pharmacies have to be registered?</p> <p>4 A. Yes.</p> <p>5 Q. And doctors have to be registered?</p> <p>6 A. Yes.</p> <p>7 Q. Now, none of those individuals or</p> <p>8 entities can lawfully handle opioids without</p> <p>9 DEA registration.</p> <p>10 A. Yes.</p> <p>11 Q. Now, DEA can, when it determines it</p> <p>12 is legally appropriate, suspend or revoke a DEA</p> <p>13 registration.</p> <p>14 A. Yes.</p> <p>15 Q. For example, that's a way the DEA</p> <p>16 has to cut off a diverting registrant?</p> <p>17 A. Repeat that question again, please.</p> <p>18 Q. DEA's authority to suspend or revoke</p> <p>19 a DEA registration is a way for DEA to cut off</p> <p>20 a diverting registrant; isn't that correct?</p> <p>21 A. That authority, we could stop a</p> <p>22 registrant from conducting transactions with</p> <p>23 controlled substances, yes.</p> <p>24 Q. Yes.</p> <p>25 You could cut them off, correct?</p>	<p style="text-align: right;">Page 24</p> <p>1 data.</p> <p>2 BY MR. EPPICH:</p> <p>3 Q. And using ARCOS, DEA monitors the</p> <p>4 flow of DEA-controlled substances from their</p> <p>5 point of manufacture through commercial</p> <p>6 distribution channels to point of sale or</p> <p>7 distribution to the dispensing retail level?</p> <p>8 MS. SINGER: Objection. Foundation.</p> <p>9 MR. BENNETT: Objection. Vague.</p> <p>10 THE WITNESS: DEA can use that</p> <p>11 system to monitor transactions downstream.</p> <p>12 BY MR. EPPICH:</p> <p>13 Q. And that's downstream from the</p> <p>14 manufacturers all the way to the retail level,</p> <p>15 correct?</p> <p>16 A. Yes. I believe so.</p> <p>17 SPECIAL MASTER COHEN: Just a</p> <p>18 minute, please.</p> <p>19 We're still hearing folks on the</p> <p>20 phone. If you are on the phone, please mute</p> <p>21 yourself.</p> <p>22 BY MR. EPPICH:</p> <p>23 Q. So, Mr. Rannazzisi, using ARCOS, DEA</p> <p>24 can see the number of opioids sold by</p> <p>25 manufacturers to distributors?</p>
<p style="text-align: right;">Page 23</p> <p>1 A. Yeah. Stopping transactions, yes.</p> <p>2 Cutting them off.</p> <p>3 Q. In fact, it's -- it's DEA's</p> <p>4 responsibility to do its best to ensure that</p> <p>5 anyone who is registered to DEA or by DEA is</p> <p>6 acting appropriately.</p> <p>7 MS. SINGER: Objection. Vague.</p> <p>8 MR. BENNETT: Join that objection.</p> <p>9 THE WITNESS: It's DEA's</p> <p>10 responsibility to ensure that the registrant</p> <p>11 population is complying with the code of</p> <p>12 federal regulations 21 C.F.R. and also 21 USC,</p> <p>13 United States code.</p> <p>14 BY MR. EPPICH:</p> <p>15 Q. You're familiar with the ARCOS</p> <p>16 database?</p> <p>17 A. Yes, I am.</p> <p>18 Q. Manufacturers and distributors are</p> <p>19 required to report data to ARCOS on every</p> <p>20 single controlled substance transaction?</p> <p>21 A. Yes.</p> <p>22 Q. DEA can then make use of that data,</p> <p>23 can't it?</p> <p>24 MR. BENNETT: Objection. Vague.</p> <p>25 THE WITNESS: DEA does use that</p>	<p style="text-align: right;">Page 25</p> <p>1 A. Yes.</p> <p>2 Q. And using ARCOS, DEA can see the</p> <p>3 number of opioids distributed by distributors</p> <p>4 to pharmacies, hospitals and doctors?</p> <p>5 A. Yes.</p> <p>6 Q. Registrants did not have access to</p> <p>7 ARCOS data during your -- the time you led the</p> <p>8 Office of Diversion Control, correct?</p> <p>9 A. They had access to their own data</p> <p>10 that they submitted to ARCOS. But no, not</p> <p>11 other.</p> <p>12 Q. So registered --</p> <p>13 A. From the ARCOS.</p> <p>14 Q. Pardon me.</p> <p>15 Registrants had no access to the</p> <p>16 ARCOS database, correct?</p> <p>17 A. Except for their own entries, yes.</p> <p>18 Q. Their own entries that's they</p> <p>19 submitted?</p> <p>20 A. Yes, that they submitted.</p> <p>21 Q. But they couldn't access those</p> <p>22 entries through the ARCOS database, could they?</p> <p>23 A. I'm not sure about that.</p> <p>24 Q. There was no portal that you were</p> <p>25 aware of that a registrant could log into to</p>

<p style="text-align: right;">Page 186</p> <p>1 question.</p> <p>2 BY MR. STEPHENS:</p> <p>3 Q. Sir, did I read that question</p> <p>4 accurately?</p> <p>5 MS. SINGER: Objection. Vague and</p> <p>6 compound.</p> <p>7 THE WITNESS: Yes.</p> <p>8 BY MR. STEPHENS:</p> <p>9 Q. Okay. And then, sir, your</p> <p>10 response -- and I'm quoting from the second</p> <p>11 sentence under response -- says, quote: The</p> <p>12 overwhelming majority of prescribing done by</p> <p>13 physicians in America is conducted responsibly.</p> <p>14 Often it is these doctors and pharmacists who</p> <p>15 dispense the medication who are the first to</p> <p>16 alert law enforce to potential prescription</p> <p>17 problems.</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. Did I read that accurately?</p> <p>21 A. Yes.</p> <p>22 Q. Is that your submission back to the</p> <p>23 committee on the judiciary of the House of</p> <p>24 Representatives for this hearing on July 12,</p> <p>25 2007?</p>	<p style="text-align: right;">Page 188</p> <p>1 also not authorized to disclose any information</p> <p>2 regarding internal deliberative process or</p> <p>3 recommendations that you made.</p> <p>4 To the extent that you have a</p> <p>5 personal opinion that it does not rely on</p> <p>6 internal deliberative process or nonpublic</p> <p>7 factual information, you may give it on behalf</p> <p>8 of yourself personally but are not speaking on</p> <p>9 behalf of DEA.</p> <p>10 THE WITNESS: Could -- could you</p> <p>11 repeat the question one more time.</p> <p>12 BY MR. STEPHENS:</p> <p>13 Q. Yes.</p> <p>14 As of July 12, 2007, did you agree</p> <p>15 with the statement that the overwhelming</p> <p>16 majority of prescribing done by physicians in</p> <p>17 America is conducted responsibly?</p> <p>18 MR. BENNETT: Same instruction.</p> <p>19 THE WITNESS: I believe that the</p> <p>20 vast majority of physicians are prescribing</p> <p>21 responsibly, yes.</p> <p>22 BY MR. STEPHENS:</p> <p>23 Q. Do you also agree with the statement</p> <p>24 in the next sentence, Mr. Rannazzisi, that</p> <p>25 often is it these doctors and pharmacists who</p>
<p style="text-align: right;">Page 187</p> <p>1 MR. BENNETT: Objection. Form.</p> <p>2 Objection. It's incomplete reading of his</p> <p>3 response to the question. And so I would</p> <p>4 object under Rule 106.</p> <p>5 THE WITNESS: First of all, this is</p> <p>6 not my response. It's the Department of</p> <p>7 Justice and the administration's response. And</p> <p>8 everything must be vetted through them.</p> <p>9 So regardless of what my feelings</p> <p>10 were at the time, if the department or the --</p> <p>11 the administration, through the vetting</p> <p>12 process, felt that that's what they wanted to</p> <p>13 put in, that's what was put in.</p> <p>14 BY MR. STEPHENS:</p> <p>15 Q. So then, sir, let me ask you this</p> <p>16 question: As of July 12, 2007, did you agree</p> <p>17 with the statement that the overwhelming</p> <p>18 majority of prescribing done by physicians in</p> <p>19 America is conducted responsibly?</p> <p>20 Did you agree with that?</p> <p>21 MR. BENNETT: Objection. Scope.</p> <p>22 You're not authorized to give</p> <p>23 personal opinions regarding nonpublic facts or</p> <p>24 information you acquired in the performance of</p> <p>25 your duties. You are not -- not -- you are</p>	<p style="text-align: right;">Page 189</p> <p>1 dispense the medication who are the first to</p> <p>2 alert law enforcement to potential prescription</p> <p>3 problems?</p> <p>4 MR. BENNETT: Objection. Same</p> <p>5 instruction.</p> <p>6 THE WITNESS: If you're talking</p> <p>7 about prescription fraud, fraudulent</p> <p>8 prescriptions, for instance, if a -- a</p> <p>9 pharmacist receives a prescription and he calls</p> <p>10 the doctor and the doctor says, "I did not</p> <p>11 write that prescription," and they make a call</p> <p>12 to the police, yes. That -- I would agree.</p> <p>13 And I think that's what they were getting at at</p> <p>14 the time.</p> <p>15 BY MR. STEPHENS:</p> <p>16 Q. So you don't disagree with the</p> <p>17 statement -- with the context you just</p> <p>18 provided; is that fair, Mr. Rannazzisi?</p> <p>19 A. If the context is --</p> <p>20 MS. SINGER: Objection.</p> <p>21 THE WITNESS: Oh.</p> <p>22 MS. SINGER: Mischaracterizes the</p> <p>23 witness's testimony.</p> <p>24 THE WITNESS: If we're talking about</p> <p>25 a prescription fraud case where someone is</p>

<p style="text-align: right;">Page 210</p> <p>1 can answer with a yes or no, again, regarding</p> <p>2 your understanding.</p> <p>3 Let me just add one other thing. If</p> <p>4 there is a way that you can ask a question</p> <p>5 without reference to the statute, maybe you</p> <p>6 can't, then that might help.</p> <p>7 BY MR. STEPHENS:</p> <p>8 Q. Mr. Rannazzisi, was it your</p> <p>9 understanding that when you testified in front</p> <p>10 of Congress, you were testifying under oath and</p> <p>11 needed to tell the truth?</p> <p>12 A. Yes.</p> <p>13 Q. So I would like to go back to the</p> <p>14 start of your tenure, Mr. Rannazzisi, in 2005</p> <p>15 and 2006. Okay?</p> <p>16 A. Yes.</p> <p>17 Q. Now we had talked about rogue</p> <p>18 Internet pharmacies a few minutes ago, correct?</p> <p>19 A. Yes.</p> <p>20 Q. Would you agree that not all</p> <p>21 Internet pharmacies were rogue Internet</p> <p>22 pharmacies who were diverting opioids?</p> <p>23 A. No. In fact, I can't think of an</p> <p>24 Internet pharmacy that was operating at that</p> <p>25 point in time that wasn't rogue.</p>	<p style="text-align: right;">Page 212</p> <p>1 "Approximately how many websites currently</p> <p>2 offer to sell controlled substances illegally</p> <p>3 over the Internet?"</p> <p>4 Do you see that, sir?</p> <p>5 A. Yes.</p> <p>6 Q. Okay. Now I'm going to direct your</p> <p>7 attention to the -- in the very middle of the</p> <p>8 response, and there is a sentence there that</p> <p>9 states: "It should be noted that there are</p> <p>10 legitimate pharmacies that provide controlled</p> <p>11 substances via the Internet and operate daily</p> <p>12 within the boundaries of the law."</p> <p>13 Do you see that?</p> <p>14 MR. UTTER: Take your time to read</p> <p>15 the document so you are familiar with it.</p> <p>16 THE WITNESS: Okay.</p> <p>17 BY MR. STEPHENS:</p> <p>18 Q. So my question, sir, is: Did you</p> <p>19 inform the United States Senate on May 16,</p> <p>20 2007, that it was the administration's position</p> <p>21 that it should be noted that there are</p> <p>22 legitimate pharmacies that provide controlled</p> <p>23 substances via the Internet and operate daily</p> <p>24 within the boundaries of the law?</p> <p>25 A. Yes, but there is a difference</p>
<p style="text-align: right;">Page 211</p> <p>1 MR. STEPHENS: If I could ask, if</p> <p>2 you could mark this as next in order, Bonnie.</p> <p>3 Thank you.</p> <p>4 (Deposition Exhibit 9 was marked for</p> <p>5 identification.)</p> <p>6 BY MR. STEPHENS:</p> <p>7 Q. So this has been marked as Exhibit</p> <p>8 9. It is a current transcript from May 16,</p> <p>9 2007, entitled: "Rogue Online Pharmacies, the</p> <p>10 growing problem with Internet drug trafficking,</p> <p>11 a hearing before the Committee of the Judiciary</p> <p>12 of the United States Senate."</p> <p>13 And, sir, I would direct your</p> <p>14 attention to Page 52.</p> <p>15 So, Mr. Rannazzisi, on Page 52, it's</p> <p>16 entitled: "Questions for the hearing record</p> <p>17 for Joseph Rannazzisi deputy assistant</p> <p>18 administrator, office of diversion and</p> <p>19 control."</p> <p>20 And then the first question states:</p> <p>21 "At the hearing, witnesses provided testimony</p> <p>22 about how easy it is for youth and others to</p> <p>23 obtain prescription drugs illegally on the</p> <p>24 Internet."</p> <p>25 And it's then 1 Sub A:</p>	<p style="text-align: right;">Page 213</p> <p>1 between the pharmacies we were talking about</p> <p>2 here and what we consider a rogue Internet</p> <p>3 pharmacy.</p> <p>4 Q. Right. My point is simply this, Mr.</p> <p>5 Rannazzisi.</p> <p>6 There are Internet pharmacies and</p> <p>7 then, among those Internet pharmacies, there is</p> <p>8 a subset, however large it may be, that are</p> <p>9 rogue Internet pharmacies; is that fair?</p> <p>10 MR. BENNETT: Objection. Vague.</p> <p>11 THE WITNESS: No. Because in -- the</p> <p>12 Internet pharmacies that are legal that you're</p> <p>13 talking about are generally pharmacies where</p> <p>14 you could go online and ask the pharmacist via</p> <p>15 the Internet for a refill on your prescription.</p> <p>16 That is an Internet pharmacy.</p> <p>17 The pharmacies that I am dealing</p> <p>18 with in the rogue context are pharmacies that</p> <p>19 had a physician that was sitting in New Jersey,</p> <p>20 a pharmacist that was sitting in Iowa and in</p> <p>21 that facilitation center that was -- the</p> <p>22 transaction was being conducted through a</p> <p>23 survey or a patient questionnaire for cash with</p> <p>24 no bona fide doctor-patient relationship, no</p> <p>25 corresponding responsibility review by the</p>

<p style="text-align: right;">Page 214</p> <p>1 pharmacist, the doctor never saw the patient 2 and that's rogue. 3 That's -- I think the legal term is 4 a conspiracy, and that's what we were talking 5 about. We were not talking about the pharmacy 6 that would be accessed by a patient who had 7 already turned in their prescription and 8 they're just looking for a refill. 9 BY MR. STEPHENS: 10 Q. Okay. So then let's focus on these 11 rogue Internet pharmacies that you just 12 described. Okay? 13 The rogue Internet pharmacies that 14 were diverting controlled substances often had 15 a ratio where they distributed 95 percent 16 controlled substances against 4 percent 17 noncontrolled. Fair? 18 MS. SINGER: Objection. Foundation. 19 MR. BENNETT: Objection. Vague. 20 MR. UTTER: Same objections. 21 Go ahead. 22 THE WITNESS: I -- 95 percent in 23 some aspects, they were generally high. I 24 think we have seen rogue Internet pharmacies go 25 60, 70 percent up to 90, 95 percent depending</p>	<p style="text-align: right;">Page 216</p> <p>1 and vague. 2 THE WITNESS: I don't remember -- I 3 know the vast majority of the pharmacies, the 4 brick and mortar pharmacies that we took action 5 against, were not independent -- they were 6 independent. They were not chain drug stores. 7 However, I can't say that every -- 8 every case we had was an independent. I just 9 don't remember but I am pretty sure that the 10 vast majority were independent pharmacies. 11 BY MR. STEPHENS: 12 Q. Sir, during your career as deputy 13 assistant administrator, you gave presentations 14 where you used slide decks that described rogue 15 Internet pharmacies; is that fair? 16 A. Yes. 17 Q. I would like to show you one of 18 those. 19 (Deposition Exhibit 10 was marked 20 for identification.) 21 BY MR. STEPHENS: 22 Q. Sir, I would direct your attention 23 to Slide 50. 24 MR. BENNETT: Counsel, may I ask, 25 where this was produced from? It doesn't look</p>
<p style="text-align: right;">Page 215</p> <p>1 on the pharmacy and what their business was. 2 BY MR. STEPHENS: 3 Q. Did you view a ratio of 95 percent 4 controlled substances versus 5 percent 5 noncontrolled substances as a possible 6 indication that the Internet pharmacy was 7 diverting? 8 MS. SINGER: Objection. Calls for 9 speculation. Incomplete hypothetical. 10 MR. BENNETT: Objection. Vague as 11 to time. 12 BY MR. STEPHENS: 13 Q. During your tenure as deputy 14 assistant administrator, sir. 15 A. High volume, high ratio, controlled 16 substance to noncontrolled substance is an 17 indicator of a potential problem, yes. 18 Q. And these rogue Internet pharmacies 19 that you dealt with, they were not full range 20 pharmacies, like a retail chain pharmacy, like 21 a Walmart or a CVS or Walgreens or Rite Aid or 22 an HBC Giant Eagle, true? 23 MS. SINGER: Objection. Compound 24 question. 25 MR. BENNETT: Objection. Compound</p>	<p style="text-align: right;">Page 217</p> <p>1 like a DEA document so I am just curious. 2 There is no Bates number. There's no document 3 number on it. 4 MR. STEPHENS: Let me suggest this, 5 James, I will move on. I will come back to 6 this and answer that question for you. How's 7 that? 8 MR. BENNETT: That's fine. Thank 9 you. 10 BY MR. STEPHENS: 11 Q. Mr. Rannazzisi, let me ask you this: 12 Do you recall giving presentations where, in 13 your description of what a rogue pharmacy was, 14 you told people that they were not chain 15 pharmacies? 16 MR. UTTER: Don't look -- he is not 17 making a reference to the exhibit, so you are 18 not confused. He is asking a question 19 independent of the exhibit. 20 THE WITNESS: If I was reporting 21 what the majority of the pharmacies were, I 22 would say yes, a vast majority of the 23 pharmacies involved in rogue Internet sales are 24 independent pharmacies. 25 BY MR. STEPHENS:</p>

<p style="text-align: right;">Page 222</p> <p>1 Internet pharmacy or pain clinic that you think</p> <p>2 is diverting; is that fair?</p> <p>3 A. They are operating illegally.</p> <p>4 Q. Now, the rogue pain clinics or some</p> <p>5 of the rogue pain clinics in the 2008, 2009</p> <p>6 era, both prescribe and supply oxycodone to</p> <p>7 their patients at the rogue pain clinic?</p> <p>8 MR. BENNETT: Objection. Vague.</p> <p>9 THE WITNESS: Some of them did, yes.</p> <p>10 BY MR. STEPHENS:</p> <p>11 Q. And as to those, they were not</p> <p>12 sending patients to a pharmacy to fill a</p> <p>13 prescription. They were doing the supplying</p> <p>14 right there at the pain clinic, correct?</p> <p>15 MS. SINGER: Objection. Vague.</p> <p>16 MR. BENNETT: Same.</p> <p>17 THE WITNESS: In some cases, the</p> <p>18 clinics were dispensing medication, yes.</p> <p>19 BY MR. STEPHENS:</p> <p>20 Q. All right. And in response to that,</p> <p>21 some states passed legislation to require that</p> <p>22 the prescriptions of controlled substances be</p> <p>23 filled at a pharmacy, not at a pain clinic?</p> <p>24 MS. SINGER: Objection. Foundation.</p> <p>25 Beyond the scope of this witness's expertise.</p>	<p style="text-align: right;">Page 224</p> <p>1 BY MR. STEPHENS:</p> <p>2 Q. Mr. Rannazzisi, have you ever used</p> <p>3 the term or are you familiar with the term, "a</p> <p>4 straw purchase?"</p> <p>5 A. Yes.</p> <p>6 Q. Okay. Can you please describe what</p> <p>7 a straw purchase of a pharmacy would be in this</p> <p>8 scenario?</p> <p>9 A. The owner of the clinic would</p> <p>10 basically pay money for an individual to act as</p> <p>11 the purchaser of the pharmacy so it doesn't</p> <p>12 draw attention to the clinic, so you would have</p> <p>13 -- we got to see all different types of people</p> <p>14 in Florida that were trying to apply for</p> <p>15 pharmacy licenses at that point in time, that</p> <p>16 were not medical -- didn't have a background in</p> <p>17 medicine.</p> <p>18 Q. Okay. And some of these straw</p> <p>19 pharmacies did get licensed and registered for</p> <p>20 a period of time by DEA, correct?</p> <p>21 A. We started a program where we</p> <p>22 actually interviewed and reviewed all the</p> <p>23 applicants and the vast majority of the</p> <p>24 applicants, once they realized -- once we</p> <p>25 started asking questions, they withdrew their</p>
<p style="text-align: right;">Page 223</p> <p>1 MR. BENNETT: I will join both as</p> <p>2 objection to foundation and scope.</p> <p>3 MR. UTTER: Same objections.</p> <p>4 Go ahead.</p> <p>5 THE WITNESS: I don't know about all</p> <p>6 states, but for instance, Florida did pass two</p> <p>7 pieces of legislation. First, the 72 hour rule</p> <p>8 and then they completely eliminated the</p> <p>9 dispensing of any controlled substance.</p> <p>10 BY MR. STEPHENS:</p> <p>11 Q. Okay. And then in response to that</p> <p>12 legislation, some of the operators of these</p> <p>13 rogue pain clinics opened up straw pharmacies</p> <p>14 that were actually controlled by the rogue pain</p> <p>15 clinic?</p> <p>16 MS. SINGER: Objection. Compound</p> <p>17 question again. Beyond the scope of this</p> <p>18 witness's expertise as a response.</p> <p>19 MR. BENNETT: Objection. Scope.</p> <p>20 Objection. Vague.</p> <p>21 THE WITNESS: We -- there were</p> <p>22 instances where rogue clinics purchased</p> <p>23 pharmacies and started dispensing</p> <p>24 prescriptions, and then having the pharmacists</p> <p>25 dispense the medication.</p>	<p style="text-align: right;">Page 225</p> <p>1 application.</p> <p>2 Q. Okay. To your recollection,</p> <p>3 Mr. Rannazzisi, did any straw pharmacy actually</p> <p>4 get opened and -- such that it was able to</p> <p>5 dispense prescription controlled substances for</p> <p>6 a period of time?</p> <p>7 MS. SINGER: Objection. Compound</p> <p>8 question.</p> <p>9 MR. BENNETT: Objection. Scope.</p> <p>10 You are not authorized to disclose</p> <p>11 any information regarding any specific</p> <p>12 nonpublic DEA investigations or activities. To</p> <p>13 the extent that you can answer this question</p> <p>14 with publicly available information, you may.</p> <p>15 THE WITNESS: I -- I don't recall</p> <p>16 any that got through the system.</p> <p>17 MR. STEPHENS: Are you okay if we</p> <p>18 take a break right now?</p> <p>19 MR. BENNETT: That would be fine.</p> <p>20 MR. STEPHENS: Yes.</p> <p>21 MR. BENNETT: 10 minutes?</p> <p>22 MR. STEPHENS: Yeah. 10.</p> <p>23 THE VIDEOGRAPHER: We are going off</p> <p>24 the record.</p> <p>25 This is the end of Media Unit No. 4.</p>

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IN RE: NATIONAL PRESCRIPTION MDL No. 2804
OPIATE LITIGATION Case No. 17-md-2804

This document relates to: Judge Dan
Aaron Polster

The County of Cuyahoga v. Purdue
Pharma, L.P., et al.
Case No. 17-OP-45005
City of Cleveland, Ohio vs. Purdue
Pharma, L.P., et al.
Case No. 18-OP-45132
The County of Summit, Ohio,
et al. v. Purdue Pharma, L.P.,
et al.
Case No. 18-OP-45090

VOLUME II
Videotaped Deposition of Joseph Rannazzisi
Washington, D.C.
May 15, 2019
8:43 a.m.

Reported by: Bonnie L. Russo
Job No. 3301884

1 law.

2 BY MR. LANIER:

3 Q. All right. In the third page, you
4 go on to say, here are some circumstances that
5 might indicate there is diversion going on; is
6 that right?

7 A. Yes, sir.

8 Q. And these -- you gave four examples,
9 much like you have told us in here before, were
10 concerns that you had or that people could look
11 at -- strike that. Let me start that question
12 again.

13 You give four circumstances that
14 might indicate diversion; is that fair to say?

15 A. Yes, sir.

16 Q. Ordering excessive quantities of a
17 limited variety of controlled substance while
18 ordering few, if any, other drugs.

19 Why would that perhaps be indicative
20 or perhaps indicate diversion?

21 A. Well, for the most part, pharmacies
22 generally follow a pattern of ordering for
23 controlled substances and depending on what we
24 have read, it could be anywhere as low as 9
25 percent to up to 12 or 13 percent as the

1 average. So it is a red flag when a pharmacy
2 is ordering, you know, 40, 50 percent of their
3 drugs has controlled substances, you know, and
4 looking at the legend or the noncontrolled
5 drugs, you've got to ask questions.

6 Why are you not ordering? If you
7 are a full service pharmacy, why are you not
8 ordering noncontrolled legend drugs?

9 Q. All right. So we've got a red flag
10 on that.

11 The second one you gave is ordering
12 a limited variety of controlled substances in
13 quantities that are disproportionate, not in
14 proportion, to the quantity of noncontrolled
15 medications ordered.

16 Is that also a red flag?

17 A. Again, same concept. No. 1 handles,
18 you know, where we are only ordering large
19 quantities of oxycodone, hydrocodone, nothing
20 else or oxycodone, hydrocodone, alprazolam.

21 The second one is again, you are
22 taking the hydrocodone and the oxycodone and it
23 is far exceeding what you are ordering normal
24 noncontrolled drugs. So it's disproportional.

25 If the normal pharmacy is ordering

1 between 9 and 12 percent of the drugs of
2 controlled substances and this pharmacy is
3 ordering 40 or 50 percent and it is limited, it
4 is limited to oxycodone, hydrocodone --
5 oxycodone, hydrocodone and hydromorphone, that
6 should set up red flags. It even goes deeper
7 if they were ordering a high dose of those
8 drugs.

9 Q. All right. Order excessive
10 quantities of limited varieties in combination
11 with excessive quantities of lifestyle drugs.
12 Another red flag?

13 A. Yes. That was tapping into the
14 three drug combination, the panel that we were
15 seeing, things like alprazolam, hydrocodone and
16 carisoprodol or hydrocodone -- or oxycodone,
17 carisoprodol and alprazolam, diazepam,
18 clonazepam, any of those different combinations
19 of drugs that is unusual.

20 Q. You are throwing out a bunch of
21 words that most of us have never heard of in
22 our life because we just get told, go buy Advil
23 or something like that.

24 You're -- are these those -- these
25 are the chemical names that you are using for

1 hey, don't blame us, the DEA didn't -- it's the
2 DEA responsibility to design and operate the
3 system. Would that be true?

4 MR. EPPICH: Objection.

5 MS. MAINIGI: Form.

6 THE WITNESS: No, that is just
7 incorrect. It is very specific. The
8 regulation is specific.

9 BY MR. LANIER:

10 Q. Well, what if they say, oh, but the
11 DEA told us it is okay to do it this way?

12 MR. EPPICH: Objection. Form.

13 THE WITNESS: No. The DEA would not
14 tell them to do something outside of the
15 regulation.

16 BY MR. LANIER:

17 Q. And did you specifically warn them
18 of this, that the DEA does not approve or
19 otherwise endorse any specific system for
20 reporting suspicious orders?

21 MS. MAINIGI: Objection.

22 THE WITNESS: Yes.

23 BY MR. LANIER:

24 Q. All right. So much of this is the
25 same as the 2006 letter. I am just going to

1 the suspicious order.

2 But I -- I don't understand what --
3 what would the company -- I'm just not -- I
4 guess I'm not catching what -- what the
5 question is.

6 BY MS. MAINIGI:

7 Q. Would the DEA follow up on all
8 suspicious orders reported?

9 A. The --

10 MR. BENNETT: Objection. Form.
11 Objection. Scope.

12 THE WITNESS: The DEA position is
13 that they would follow up on suspicious orders,
14 yes.

15 BY MS. MAINIGI:

16 Q. My question was slightly more
17 nuanced.

18 Did the DEA follow up on all
19 suspicious orders that were reported to it?

20 MR. BENNETT: Objection.

21 THE WITNESS: I -- I couldn't tell
22 you if every suspicious order was followed up
23 on.

24 BY MS. MAINIGI:

25 Q. Was it your intent that all